



SUBMISSION

Preparing the Northern Territory for Electric Vehicles

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2. About Us

The Motor Trade Association of South Australia has recently expanded into the Northern Territory, bringing with us a strong track record of member support, engagement and advocacy.

We have now welcomed 53 new members who collectively employ approximately 500 employees in the Northern Territory.

This makes the MTA the only employer organisation representing the interests of automotive retail, service and repair businesses in South Australia and the Northern Territory.

The automotive industry remains a critically important sector for the Northern Territory economy comprising:

- 650 businesses
- An economic contribution of over \$300,000,000
- The employment of 3,971 people
- A total fleet of 157,717 motor vehicles

(*Source: Directions in Australia's Automotive Industry. An Industry Report 2017 MTAA)

The MTA looks forward to future industry growth and will continue to work with its members to afford governments key insights into the challenges and opportunities facing both the automotive industry and the Northern Territory.

DIVISIONS



3. Submission Response

The Northern Territory Department of Infrastructure, Planning and Logistics' Discussion Paper seeks community and industry views in the development of an Electric Vehicle (EV) Strategy and Implementation Plan.

This submission summarises the views of the MTA's extensive and strong membership base. Our consultation has sought input from automotive businesses of varying sizes and types, from regional and metropolitan locations, the VET sector, and consumers. This approach has sought to produce a balanced comment for consideration by government.

Also attached, for reference, is the MTA's recent response to the South Australian Government's *Targeted Industry Consultation Discussion Paper & Survey: To support the development of an Electric Vehicle Strategy for South Australia*. The South Australian government sought stakeholder views on the challenges and opportunities presented by the rapid emergence of electric vehicles.

The MTA's consultation in South Australia identified that currently, the requirements of transitioning to electric vehicles are sufficiently unclear to prevent any greater investment than pilot programs and testing. Northern Territory members also identified 'lack of information' as an issue in transitioning to electric vehicles.

Uncertainty has implications for the deployment of electric vehicles if investment decisions by the automotive retail, service and repair sector are held back about:

- workshop equipment;
- workforce composition;
- business sustainability;
- appropriate education and skill levels; and
- connective infrastructure.

It is also unclear who should, and who will, pay for these requirements.

Our previous consultation also raised the question of the ability of a relatively small jurisdiction such as South Australia, and equally the Northern Territory, to influence the global strategies of vehicle manufacturers, the policy settings of the USA, the EU and China, and the appetite of the Federal Government for such a policy.

Nonetheless, a State or Territory based strategy that recognises these complexities will serve as a critical baseline of the fundamental benchmarks that need to be met before the widespread adoption of EV technology can be confidently achieved.

The MTA notes that the Northern Territory Government is committed to supporting EV uptake, and that the Discussion Paper is the first step in developing a framework for EV policy in the Northern Territory.

The MTA reports that the following issues were raised by our Northern Territory members during our consultation:

- Lack of information

The automotive industry is aware of and is cautiously positive towards the transition to EVs in principle. Any member caution towards EVs stems from a lack of information rather than a lack of motivation.

For example, members advised that there is some indication from manufacturers in terms of the different EV models they are, or will be, offering, but that there is no overall strategy or direction from government about what it believes 'the mix' will be over time.

Our members advise that this makes it difficult for dealers to model and plan their business activities. Dealers are unsure about what volume of sales are predicted for the short, medium and long term. One dealer indicated that this lack of direction/information means they will likely not be entering the EV market.

- Infrastructure

Members have also raised concerns over changes in infrastructure demands, including uncertainty over what this will mean for the electricity grid and the road network.

Questions have been raised about whether the electricity grid will be able to handle the transition from combustion engines as EVs become more prevalent.

Member consensus was that government has a key role to play in the provision of public infrastructure for charging stations, regardless of where they may be located and even where they are administered by private operators.

Members agreed that further clarity and financial assistance would be needed if government wanted the private sector to take on the risk of high capital infrastructure costs in a low volume market.

- EV skills and training

Members have raised concerns around training in the service and repair of EVs. Particularly against the backdrop of the reform of training packages provided by Charles Darwin University, and the uncertainty and anxiety about the impact this will have on training and skilling the future generation of skilled automotive tradespersons.

Our members have questioned where the skills and training will come from, acknowledging that this area is already severely lacking in terms of trained qualified individuals who can work on and with EVs. That is, the current skill levels and education requirements of the current automotive industry are lower than what is anticipated for EVs, with comparatively more complex IT and data technology driven skill sets.

- Safety concerns

Members working in the automotive fields of mechanical and automotive electrical consider that there are very high safety risks for individuals working on EVs.

Members have identified that appropriate training will be paramount to addressing and preventing safety risks of, and preventing, serious injury or death.

- Geographical considerations

Geographical considerations, and battery range limitations, are widely understood by the automotive industry to be a major challenge for EVs.

It is clear that drivers will be able to commute around town in an EV, in Darwin or Alice Springs, with minimal to no issues. However, longer distances and remote locations and communities may not be able to service the distance requirements of EVs.

- Business costs and considerations

The impact of a transition to EVs is considered to be unfavourable by current automotive business. There is expected to be a high cost to business in terms of additional plant and equipment required to support EVs.

Industry has expressed serious reservations that consumers and businesses can transition to EV technology successfully without substantial regulatory reform and public investment, particularly during the transition phase.

For example, a motorcycle dealer explained that they would need to invest \$50,000 for a charging station for their dealership which at present can't be justified due to the low demand and volume of sales.

It is clear from the above feedback and comments provided by members currently operating in the Northern Territory automotive industry, that government will need to give careful consideration to the costs and benefits of implementing an EV policy in the Northern Territory context, especially during the transition period.

4. Next Steps

The MTA is available to provide further information in relation to this submission and to clarify any aspect of it.

This includes meeting with agency representatives and facilitating further consultations with industry on proposed changes.

5. Submission Contact

For further information relating to this submission please contact:

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